



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 2

290 BROADWAY

NEW YORK, NY 10007-1866

JUN 02 2006

Magalie R. Salas, Secretary  
Federal Energy Regulatory Commission  
888 First St. NE, Room 1A  
Washington, DC 20426

Reference Docket No. CP04-411-000, et al.

Dear Ms. Salas:

The Environmental Protection Agency (EPA) has reviewed the final environmental impact statement (FEIS) for the Crown Landing Liquefied Natural Gas (LNG) Terminal and Logan Lateral Projects (CEQ # 20060169) located in Logan Township, Gloucester County, New Jersey and between an existing Chester Junction facility in Brookhaven Borough, Pennsylvania and the proposed terminal in Logan Township, respectively. This review was conducted in accordance with Section 309 of the Clean Air Act, as amended (42 U.S.C. 7609, PL 91-604 12(a), 84 Stat.1709), and the National Environmental Policy Act (NEPA).

The FEIS presents the Crown Landing, L.L.C. proposal to construct and operate a LNG terminal in New Jersey with a pier extending into the State of Delaware's waters, and Texas Eastern Transmission, L.P.'s proposal to construct and operate a new natural gas pipeline and ancillary facilities in New Jersey and Pennsylvania. Crown Landing's proposed facilities would transport a baseload rate of 1.2 billion cubic feet per day (Bcfd) and a maximum rate of 1.4 Bcfd of imported natural gas to the United States market. The terminal as proposed would interconnect with three natural gas distribution pipelines; two already on site, and the new pipeline that Texas Eastern proposes to construct and operate (the Logan Lateral). The terminal and pipeline would include: a ship unloading facility with a single berth capable of receiving LNG ships with cargo capacity of up to 200,000 cubic meters ( $m^3$ ); three 150,000  $m^3$  full containment LNG storage tanks; a closed-loop shell and tube heat exchanger vaporization system, sized for a normal sendout of 1.2 Bcfd; various ancillary facilities including administrative offices, main control center and pier control room; three meter and regulation stations located on the proposed LNG terminal site and approximately 11 miles of 30-inch-diameter natural gas pipeline; a pig launcher and receiver facility at the beginning and end of the pipeline; a mainline valve; and a meter and regulation station at the end of the pipeline.

While the FEIS adequately responds to most of EPA's comments on the draft EIS, there are some outstanding issues that have not been satisfactorily addressed.

- The FEIS does not present mitigation plans for all unavoidable impacts to wetlands, wetland transitional areas and shallow water habitat. The FERC recommends that Crown Landing and Texas Eastern consult with the applicable agencies and develop mitigation plans for review by the FERC prior to construction. However, 40 CFR §1502.14 (f) of



the Council of Environmental Quality Regulations for implementing NEPA states that an environmental impact analysis shall include appropriate mitigation measures not already included in the proposed action or alternatives. Accordingly, the appropriate mitigation plans should be provided prior to release of or within the Record of Decision.

- The General Conformity Analysis is incomplete. While a final analysis is not required within the FEIS, EPA recommends that the analysis be included in the NEPA documentation. If the General Conformity Analysis is done separately from the NEPA process, it must have a separate public comment period. The FERC has stated that Crown Landing and Texas Eastern should provide a full air quality analysis identifying all mitigation requirements needed to demonstrate conformance with the applicable State Implementation Plan, and submit this to the FERC Office of Energy Project staff. In order to be complete, the following information should be included in the General Conformity analysis.
  1. Numbers and types of construction equipment to be used, such as tugs, cranes, dredges (and hydraulic dredging booster pumps, if used), crew boats and employee vehicles.
  2. Estimated time, power levels and emissions factors on all construction, dredging and related equipment to determine yearly emissions levels.
  3. Any mitigation strategies to be used if the project emissions are not in conformity with the applicable State Implementation Plans, such as engine retrofits, clean fuels, fuel emulsions, operating restrictions or other offsets.

We also strongly suggest that FERC, Crown Landing and Texas Eastern contact the air programs in the states of Delaware and New Jersey and EPA Regions 2 and 3 to ensure that the General Conformity analysis and mitigation adequately address air quality considerations. As an initial point of contact, I recommend Matthew Laurita of EPA Region 2's Air Programs Branch who can be reached at (212) 637-3895.

Finally, it is EPA's understanding that Crown Landing has still not received approval under the Coastal Zone Management Act (CZMA) from the Delaware Department of Natural Resources and Environmental Control to site a pier in Delaware's waters. Moreover, the question of whether Delaware or New Jersey actually has jurisdiction over the construction of a pier into the river at the project site is being reviewed by a Special Master appointed by the U.S. Supreme Court. Should any portion of the project or potential environmental impacts significantly change due to either state's implementation of the CZMA requirements, a Supplemental EIS may be required.

Thank you for the opportunity to comment on the FEIS. Should you have any questions about these comments, please contact Lingard Knutson of my staff at (212) 637-3747.

Sincerely yours,

A handwritten signature in cursive script, reading "John Filippelli". The signature is written in dark ink and is positioned above the printed name and title.

John Filippelli, Chief  
Strategic Planning and Multi-Media Programs Branch